

President's News Conference on Foreign and Domestic Issues

Following is a transcript of President Reagan's news conference last night in Washington, as recorded by The New York Times:

OPENING STATEMENT

Q. Good evening, I have a statement. This week, we marked an anniversary here in Washington — at least some of us did — the 100th day since we charted a new course for America. From the outset, we knew that a breaking with the past and beginning on the new road would be long and hard, and it has been.

Coming to grips with the most serious economic crisis in postwar history has tested our mettle, our patience and our unity. And, believe me, I understand how difficult it's been to see that America is making sure and steady progress when it's our family and friends who are suffering the ache and disappointment of hard times.

But we Americans are a people of deep faith, hard work and common sense, and we never stop believing in ourselves. So we're emerging with renewed confidence. We've made great strides in these first 100 days; inflation and interest rates are going down dramatically, we've passed the first real tax cut for everyone in nearly 20 years, and now a strong recovery is sending Americans back to work. At least 400,000 found jobs last month.

Q. A. I think we're going to have a very good year.

QUESTIONS AND ANSWERS

View on Nicaragua

Q. Mr. President, regarding the recent rebel attacks on a Nicaraguan oil depot, is it proper for the C.I.A. to be involved in planning such attacks and supplying equipment for air raids, and do the American people have a right to be informed about any C.I.A. role?

A. I think covert actions have been a part of government and a part of government's responsibilities for as long as there's been a government. I'm not going to comment on what, if any, connection such activities might have had with what has been going on with some of the specific operations down there, but I do believe in the right of a country when it believes that its interests are best served by practicing covert activity and then — while you people may have a right to know, you can't let your people know without letting the wrong people know — those that are in opposition to what you're doing.

Marines in Lebanon

Q. There's growing concern about the marines in Lebanon, and your national security adviser has said that the loss of life is unacceptable and that the partition of Lebanon is not a viable option. What are you going to do about it and I'd like to follow up.

A. Helen, we're going to keep on going what we have been doing, and we're trying to complete the plan that we launched a little more than a year ago. We know there are hazards there and no one can feel too deeply about the loss of life and the wounding of some of our men there. We know we have a heavy burden in taking when we joined in the multinational force. But our objective remains the same.

We have made great progress there. If you remember back, Beirut itself was being shelled daily in an exchange of fire that was killing literally hundreds of civilians on a daily basis, wounding others grievously. That — a ceasefire followed there. A government was elected, and the Syrians to a parliament were elected. The Israelis withdrawn to the Awali River and have announced their intention of permanent withdrawal.

The disorders that have plagued Lebanon for some eight years have, of course, taken over — this was one of the reasons for a multinational force to try and have some stability while the Government — and incidentally I left out the fact that the Lebanese Army, which has been created by this new government in which we've helped with training and supplies is a fine army — not as big as it should be but the problems it's confronted with — but the mission is to enable the Lebanese Government and its militia to take over its own country with the withdrawal of all forces.

Earlier in that first ceasefire there was a successful outcome of some 10,000 of the P.L.O. militia from the country. As long there's a possibility of making the overall peace plan work, we're going to stay there.

Peace in Middle East

Q. May I ask what plans do you contemplate, how will you broaden the peace in the Middle East and bring about a reconciliation of all the parties and the restoration of the legitimate rights of the Palestinians?

A. Well this — you've named some of the details of the plan that I proposed a year ago last September and it began with trying to straighten up the Lebanese situation with the border — the northern border — being violated as it was by terrorist groups, innocent people there being killed. They had a responsibility to try and defend that border.

Now an agreement has been reached between the Lebanese Government and Israel. We're doing everything we can to persuade Syria to quit being a roadblock in this process. But that was the first phase — Lebanon. Then — and our intention remains the same — working with the more moderate Arab states to bring about the kind of peace with Israel that Anwar Sadat helped bring about. Our process is following the lead that was established in the Camp David talks and the two United Nations resolutions, 242 and 338. And this is what we want to do. But as I say it is a kind of binging on the resolution of Lebanon.

The Helms's Position

Q. Mr. President, Senator Helms

We have the highest number of people working in our history, almost 102 million. Virtually every sector of the economy, from construction to the high technology — it's expanding, creating new hope and a more secure future.

We have the chance to build the kind of lasting economic expansion that this nation has not seen since the 1960's. And I ask the Congress for cooperation in these last four weeks before it leaves for the year. Many key budget decisions remain and we have a real opportunity to hold down spending and reduce deficits. And I think we should remember these deficits didn't just spring up in a thousand days; they're the product of too many years of tax and tax spend and spend.

In these closing days of Congress, let us rededicate ourselves not to taxing people more but to making government leaner and less. This is the way to keep the United States on a steady path of economic growth and opportunity for all our people. And now your questions.

Jim?

has been saying on the Senate floor that Martin Luther King Jr. had Communist sympathies. Do you agree?

A. We'll know in about 35 years, won't we. No, I don't fault Senator Helms's sincerity. Do you agree? I think that he's motivated by a feeling that if we're going to have a national holiday named for any American, when it's only been named for one American in all our history to this time, that the feeling is to know about anything that is to know about an individual.

A. I don't fault his sincerity in that but I also realize there is no way that these records can be opened. Because an agreement was reached between the family and the Government with regard to these records. And we're not going to turn away from that or set a precedent of breaking agreements.

Q. Sir, what do we do then in 35 years if the records are opened and we find that Dr. King was a Communist sympathizer? Do we try to undo the law? I mean I'm not quite certain where the logic is here.

A. The logic is there in that there is no way that this Government should violate its word and open those records now.

I happen to — while I would have preferred a day of recognition for his accomplishments and what he meant in a stormy period in our history here, I would've preferred that you tell me, say, Lincoln's birthday, which is not technically a national holiday but it was created by Congress and by a great many people in our country and has been.

I would've preferred that but since they seem bent on making it a national holiday, I believe the symbolism of that day is important enough that I would've preferred that legislation when it reaches my desk.

Positioning of Forces

Q. Mr. President, when I was in the marines the doctrine was to take the high ground and hold it and not to deploy on a flat open field like the Beirut Airport. What reason is there to prevent the marines from taking some more defensible positions in pursuit of the policy for which you sent them there?

A. Well, Gerry, all of those things we're asking ourselves. We're looking at everything that can be done to try and make their position safer, but you must remember — you are talking about the fact that they're being trained as marines for combat — and if these marines had gone there to join in the combat on the night of whatever they were sent there, they'd be there of those rules would apply.

But they're all there as part of a multinational force to try and maintain a stability, and their sector happens to be trying to maintain that airport and open up for traffic. So airports just happen to be flat, and we're going everything we can and making everything possible for them to defend themselves.

Q. Mr. President, does that mean that they cannot say forth from the border of the area where they are assigned if they are attacked from a nearby position, whether it's high ground or not?

A. All I can tell you is, I can't answer that question right now, but I, virtually daily, tell our people that — they're in consultation with the commanders there, the commanders there, of those units, or anything that in keeping with our mission that we can do to help insure their safety. So let me turn over in another direction.

Loss on New Holiday

A. Andrea?

Q. Mr. President, you have said in the past, a year and a half ago, following the loss of the ship, that you had reservations about the expense of another national holiday. In fact, to quote you, said, "It might be that there is no way we would have those holidays that we would have with people who are also revered figures in our history." So I'm wondering, why have you changed your mind now about the holiday for Dr. King, and why are you willing to sign that legislation?

A. Because I think this has become so symbolic of what was a very real crisis in our history, a discrimination that was pretty foreign to what is normal with us, and the part that he



U.S. marines readying weapons after car bomb shattered windshield of their jeep in Beirut. President Reagan said, "As long as there's a possibility of making the overall peace plan work, we're going to stay there."

Query on Golf Club

Q. I'd like to follow up on that. You explain to us why you've decided to spend the coming weekend in Augusta at a golf club that is very exclusive and that we understand has no black members?

A. I don't know anything about the membership but I know there is nothing in the bylaws of that club that advocates any discrimination of any kind. I saw in a recent tournament down there, a national tournament, I saw blacks playing in that tournament and that I've been invited as a guest to go down and play a round of golf on the Augusta golf course, and, as I say, I think I've covered all that I know about it.

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Choice for Interior

Q. Mr. President, your recent nomination of Judge Clark as Interior Secretary shocked just about everybody, but yourself and Judge Clark, I think. I wonder, sir, if you could tell us what qualifications you had for that Interior Department post?

A. Well, I think the qualifications of being a very able and fine administrator and manager — I have known him from the time he was my Chief of Staff when I was Governor in California. I have known him on the bench at the Supreme Court Justice of California. I know of his many problems of this kind. I know of his personal integrity and his knowledge in this field. He's a fourth-generation rancher, as he himself has stated. He's greatly interested in this entire subject, and I believe he will do a fine job in carrying out the policies which I've advocated there.

Q. Mr. President, did he want to leave the national security post?

A. He expressed a very definite interest in that position. And as I say, it did not surprise me knowing his great interest in that. And I appointed him, Cathy?

Immigration Bill

Q. Mr. President, after years of bipartisan work on a comprehensive immigration reform bill, it appears House Speaker O'Neill has successfully blocked action on it in the House. And he even suggested that you might veto it for political purposes. What, if anything, are you going to do to help House Republicans who are trying to free that bill?

A. I am going to try and get — and have been supportive of an immigration — some immigration legislation for a long time. This country has lost control of its own borders. And no country can sustain that kind of position.

I support it actively and worked hard for the passage through the Senate bill on immigration. I will admit that some of the things that are in the bill are in some of the agreements with some of the structure in the forms — in the form of that bill but recognize that there was a process called conference. There were differences between the two bills.

I want to sign, as quickly as possible, the immigration legislation. And I'm going to have to shift again here, Steve?

Re-election

Q. Mr. President, let's speak about re-election if we might for a moment. You have said that you want to delay the decision as long as possible to maintain your credibility with Congress, for instance. Is it as long as you can? But it's getting late, and if you don't run at this point other Republicans who would then have to run in it would be way behind their Democratic opponents. It would seem to hurt the party. Therefore, practically speaking, how do you have to run?

A. I have to commend all of you people, you can find more different ways of asking that question.

Q. There's one way to stop it!

A. Yes, and down the road one day, probably in the not too distant future, crisis in our history may be upon us. I put your minds all at rest, one way or the other. And I don't think — in the

helped organize throughout the world. They think maybe they could persuade our allies to turn back and not ask us for the deployment of the intermediate-range weapons, but we're going to deploy, and deploy on schedule. And once they see we're going to do that, and now that they know that we're determined to build our strength and not unilaterally disarm, as we so foolishly have done over recent years, I think they're going to see that the best thing for them is to negotiate with us and in good faith. And they may do some things — they may try, as has been rumored, a wall, and things of that kind, but we'll just wait at the table. And I think they'll come back.

Q. Something to follow up. Do you feel confident that you'll get an agreement by the end of your first term? A. By the end of this term? Q. Yes.

Q. But I hope you're much that we will. We've been at this — I realize the history of negotiations in the past has been long drawn out, but if you will look at some of the negotiations in the past, maybe it was long drawn out because the longer the Soviets sat there the more we unilaterally disarmed, and we found that just by waiting they could get things that they wanted. We're not doing that. We're arming. Yes?

Vietnam Comparison

Q. Mr. President, before the United States went into Vietnam, the French suffered a devastating defeat there by putting their troops in a saucer-shaped depression with the enemy up around the sides shooting down on them. Doesn't this aspect uncomfortably similar, to you, to the way we are deploying our troops in Lebanon, on the sides of the mountain? Do you expect that we're going to redeploy them to a spot that makes more sense?

A. Well, right now with the ceasefire it isn't from high ground that they're being fired upon. Actually, much of this has tragically taken place, it has literally been coming from civilians, from radicals in residential neighborhoods, where we have already suffered a number of casualties.

And when they were fired upon from the hills, that's when Naval gunships responded. And maybe the French at Dien Bien Phu, in that terrible defeat, didn't have a New Jersey sitting offshore as we do.

Q. But our marines are still being killed, sir.

A. I know and as I say, most of this from super-type news is a matter of fact, some of the TV news accounts have carried actual interviews with the very young men who are doing this and who are claiming their right and yet they are not even members of some of the unofficial militia.

They are just individuals that are out there. And we're not sitting idly by. We're looking at every option and everything that we can do that can leave us in the position to carry out the mission for which they were sent, and at the same time, make their lives safer.

Iran and Iraq

Q. Mr. President, Iran has threatened to close the Strait of Hormuz if Iraq uses its French fighters against Iranian interests. Is the U.S. prepared to use military force to stop Iran from cutting off our oil? And do you believe we would be successful?

A. Let me just say that I don't think it would be proper for me to talk about tactics or what might be done. But I will say this: I do not believe the free world could stand by and allow anyone to close the Strait of Hormuz and the Persian Gulf to the oil traffic through those waterways.

Q. Can you say how far we'd be willing to go?

A. No, As I say, that's for them to wonder about. Sarah? I have to call on you, I talked to your boss the other day.

Q. Thank you, he enjoyed it.

Democracy Project

Q. Sir, I would to ask you about a proposal that you are backing that's before the Senate now. I don't think they've passed it quite yet but they're about to. It's that Project for Democracy, and we would — it would mean, I believe that we would provide taxpayers' money and private sector leaders to go into other countries to decide if they have a democratic government or not? If we think we don't, then we would turn over that government and set up a government that we liked. Don't you think that would get us into a lot of wars?

A. Sarah, that's not the aim of this program. This is — what you're talking about the thing that I spoke to the British Parliament about when I was there at the European summit. What I have in mind is that the Marxist-Leninist and the World Socialist Movement, for that matter, have — they've been ardent missionaries for their beliefs all over the world. And we in the democracies, and where free enterprise is practiced, have just sort of thought that maybe we could see how we were doing and follow our lead.

The proposal is for people to go and be the same kind of missionaries, and see if they cannot explain democracy. One of the first meetings we had in connection with that was here in this room, in which people from all over the world came and it was a session during our election year to tell them about elections, and how legitimate elections could be won. Not those where you've only got one person to vote for and you'd better vote for him or somebody'll come and get you.

And it's going to be — it's an education program. The idea of worldwide — and pointing out the differences — that these countries have chosen new countries — whether it's Taiwan, Singapore, South Korea — those coun-

tries that have chosen our idea, our way, instead of statism, authoritarianism of totalitarianism — their living standard, their prosperity, their freedom for their people, is so much greater than anything the other countries have. We just want to explain to people how it works. Gary?

Outer Space Defense

Q. Mr. President — thank you — do you favor the five-year program that Cap Weinberger has recommended to you for the outer space defense of this country?

A. Gary, nothing has actually been presented to me as yet. I'm fascinated with reading all about it, but I haven't seen it, and I can tell you that no one has suggested any such figure — in the billions of dollars — that have been proposed. All of this is simply the carrying out of what I asked for quite some time ago, and that was for us to see if there is not a defensive weapon that can stop this race in offensive weapons throughout the world that can render maybe a system of horrifying weapons obsolete. And so they're proceeding with the research on that. But I think there's a great over-aggression of the kind of money that's being talked.

Q. Can I follow up? Would this not create, instead of an offensive arms race, a defensive arms race? A defensive arms race between the U.S. and Soviet Union?

A. Well, would that be all bad. If you've got everybody building defense, a war nobody's going to start a war. And that's maybe part of the idea. The danger that we're in today was voiced by Dwight Eisenhower in a letter to a publisher back in 1961, in which he, a man of war, said that couldn't we see that the weapons that we're building today are making victory or defeat obsolete — that we're coming to a stage in weaponry in which there can be no victory as we've always thought of it — no winner or loser in war that can just be the destruction of the people. And he said, when that moment arrives and I think it has arrived, he said then won't we have the common sense to sit down at a negotiating table and do away with war as a means of settling our disputes?

Housing Starts

Q. Mr. President, new figures out today show that housing starts were down pretty sharply last month, and the figure for the number of building permits went down for the second month in a row. Analysts are saying this could mean the economic recovery is going to level off, maybe kind of sit out next year, and more people are becoming concerned about high interest rates. Given the big deficits being projected by your own Administration, isn't it a bit of a concern that you're taking action by you to get interest rates down?

A. Well, I think what we're doing is aimed at getting interest rates down. Now I'm not sure that interest rates are to be blamed for this, and I don't know whether the recent figures — in the first place, they're still way above what they were not too long ago, before the recovery started running around a million-seven or something.

But what I want to know is are they seasonally adjusted or not? I have to tell you I have not seen any evidence as to whether they are, and I'm going to ask an attorney — they're not, they're not — you have to say. Well, the interest rate — that is the principal cause or only cause? Or is it possible, because people don't start building houses back in the East and the Middle West and in the snow country when autumn comes, there's a great drop-off in building?

Now if it is seasonally adjusted, then we have to look at things like the interest rates. But if it's not, surprise me if people are waiting because there is — I think there's a great expectation that there's going to be a further drop in the interest rates, and so anyone would be smart to wait for that drop to take place.

But what we are doing about that, and the deficit, first of all is the economic recovery program, which is working. About half your deficit is caused by the recession. So economic recovery can halve your estimate. Our previous estimates of the horrendous deficits have already been trimmed back by the amount of recovery that we've had so far.

He Deplores Deficits

The other part of that is structural. It is built in because of government spending. And I'm going to continue as hard as I can trying to get further reductions in government spending as a means of bringing down the deficit and getting us to the point of balanced budget, which we must reach. I have grown up listening to the other party, year after year, in the 1960's in which they have controlled both houses of the Congress, tell us that deficit spending was necessary. What a little irony, to maintain prosperity. Well, I used to predict out on the mashed-potato circuit that the bottom would fall out. It did.

Now that recovery — and if we can continue more spending cuts — if we can obtain the coven we asked for in the beginning of our economic recovery program, the deficit would be \$90 billion smaller than it is right now.

Q. Thank you, Mr. President.

Tom Wicker
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and Friday
on the
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